

THE STATE OF TEXAS)
)
COUNTY OF BEXAR)

**INTERLOCAL AGREEMENT FOR
SALE OF TAX FORECLOSED PROPERTIES**

This Interlocal Agreement (“Agreement”) is entered into between the **CITY OF SAN ANTONIO** (“City”), a municipal corporation and home-rule city of the State of Texas, pursuant to Ordinance No. 2013-06-19-____, **BEXAR COUNTY** (“County”), a political subdivision of the State of Texas, the **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT** (“SAISD”), an independent district and political subdivision organized under the laws of the State of Texas (collectively hereinafter referred to as the “Parties”).

RECITALS

WHEREAS, Texas Government Code Chapter 791 (Interlocal Cooperation Contracts) authorizes local governments to contract with one another in order to increase their efficiency and effectiveness;

WHEREAS, the Parties seek to work together in intergovernmental cooperation to return tax delinquent unproductive properties back to productive use and back to producing tax revenue;

WHEREAS, the Texas Tax Code permits the foreclosure of a tax lien and sale of the real property in order to collect delinquent taxes;

WHEREAS, following the tax foreclosure sale, certain properties remain unsold and may be “struck off” to the City or one of the Parties;

WHEREAS, County maintains an inventory of properties that have previously been “struck off” and are still under the ownership of the County in trust for all taxing entities entitled to recover unpaid taxes on the subject properties;

WHEREAS, the existence of many blighted, abandoned or vacant properties negatively impacts the tax revenues of local taxing units by annually adding to each taxing unit's delinquent tax rolls with little or no chance of ever recovering these assessments;

WHEREAS, a rapid return of these properties to productivity would encourage revitalization of deteriorating neighborhoods, reduce governmental expenditures on these properties and provide an increased tax base that would thus enhance future tax revenues;

WHEREAS, Texas Tax Code Section 34.051 allows the City to enter into an interlocal agreement with other taxing units to obtain consent to the terms and conditions governing the City’s resale of certain tax foreclosed properties for the purposes stated herein;

WHEREAS, City formerly handled tax-foreclosure sales for taxing authorities in Bexar County, Texas, and when necessary, bid in at the foreclosure sales to take title on behalf of all entities whose taxes were included in the judgment authorizing foreclosure;

WHEREAS, City entered into an interlocal agreement with County transferring the duties of handling tax foreclosure sales for the taxing authorities in Bexar County, Texas;

WHEREAS, City now wishes to return the properties to productive purposes, specifically to use them as part of its Inner-City Redevelopment, Infill Development policy by giving the properties to organizations promoting that policy;

WHEREAS, City may convey the property for that purpose without cash payment under the authority of Local Government Code § 253.011;

NOW THEREFORE, the Parties agree as follows:

1. General Statement and Goals.

The purpose of this Agreement is to comply with TEX. TAX CODE § 34.051 (the “Statute”), which authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties. The tax foreclosed properties shall be used only for a purpose consistent with the City’s Inner-City Redevelopment, Infill Development policy (attached hereto as **Exhibit A** and incorporated into this Agreement for all purposes as if fully set forth), as such policy may hereinafter be amended by the City, and for providing housing for families of low or moderate income (as defined under regulations adopted by the U.S. Department of Housing and Urban Development). The goals of the City’s Inner-City Redevelopment, Infill Development policy for tax-foreclosed property are as described in **Exhibit A**. The principal goal of this Agreement, pursuant to subsection (b)(4) of the Statute, is to provide an efficient mechanism for returning deteriorated or unproductive properties to the tax rolls, enhancing the value of ownership to surrounding properties, and improving safety and quality of life in deteriorating neighborhoods.

2. Character of Tax-Foreclosed Property.

The Parties agree that the tax foreclosed property or properties, as used in this Agreement, means only those real properties where the County takes title as trustee taxing unit to the property at any public sale in which no bid was received from the public, and the property is located within the corporate city limits of City and within the boundaries of the SAISD and is either vacant or distressed and has a tax delinquency of six or more years. At least annually, the City shall submit a proposed list of the properties that the City intends to be subject to the terms of this Agreement. The Parties may each review such list and take such action as each party deems appropriate to approve or disapprove the list or any property therein within 30 days of the party’s receipt of the proposed list. The Parties agree that City may conduct due diligence, site assessments, and inspections of properties as necessary to determine the condition of properties and viability for purchase as part of the review process and will share that information with all of the Parties to this agreement. Unless any one of the Parties notify the City of their

disapproval of the list or any listed property, the City will proceed to implement this Agreement with regard to that year's listed tax foreclosed properties.

3. Conveyance of Tax Foreclosure Properties.

By execution of this Agreement, the Parties hereby consent to the sale of tax foreclosure properties at less than the market value specified in the judgment of the foreclosure or less than the total amount of the judgment(s) against the property, equivalent to costs due to County, in accordance with the Statute and this Agreement. The Parties agree that the total selling price for a specific property will meet or exceed the costs detailed in TEX. TAX. CODE §34.06(c), and (d). In addition, Parties authorize the County to convey the properties identified in Paragraph 2 of this agreement to City for use in the City's Inner-City Redevelopment, Infill Development program. City will then convey the tax foreclosed property to a purchaser selected by the City as set forth in Paragraph 4 below. The deed by the City pursuant to such consent conveys all right, title, and interest acquired by each such taxing units **subject to any right of redemption** and shall restrict the tax foreclosed property be used in a manner consistent with the urban redevelopment plan and/or affordable housing policy(ies), established by the City to provide affordable housing for families of low and moderate incomes. The purchaser must use the property only in accordance with this Agreement and such urban redevelopment plan and/or housing policy(ies) for the primary purpose of carrying out the City goals for urban redevelopment or affordable housing through acquiring, maintaining, redeveloping and disposing of such tax-foreclosed properties.

4. Mechanism.

The City shall select the tax foreclosed properties that will be conveyed in accordance with the Statute and this Agreement and notify the other parties of its intent to sell each property pursuant to this Agreement. When City identifies a tax-foreclosed property it wishes to use under the authority of this Agreement, it must deliver written notice of such intent to SAISD and County at the addresses stated below. Failure of SAISD or County to respond to City's proposal within 45 days of City's notice is consent to use of the property under this Agreement. The City or its designee shall sell the foreclosed properties under the terms and conditions established by the City in a Request for Proposals from qualified community development housing organizations or other qualified non-profit or for profit housing developers in developing and constructing affordable houses on the selected tax foreclosed properties in accordance with the Statute and this Agreement. The Parties acknowledge that the City may utilize San Antonio Affordable Housing, Inc., a non-profit corporation managed and operated by the City's Office of Urban Redevelopment, as a means to acquire and dispose of properties under this Agreement, including but not limited to the following actions, purchasing, transferring or assigning rights to title and interest in identified properties. The Parties agree that any proceeds from the sale of each tax-foreclosed property by the City shall be first paid to the City to reimburse its costs, if any, pursuant to TEX. TAX CODE § 34.06 (c). After retaining the amounts authorized by this subsection, the proceeds of the sale, if any, shall be distributed pursuant to TEX. TAX CODE § 34.06 (d) and (e).

5. Consistency with Urban Redevelopment.

Properties conveyed under this Agreement must be used only for a purpose consistent with City's Inner-City Redevelopment, Infill Development policy.

6. Renewal and Termination.

This Agreement shall be in effect until September 30, 2014 and shall be automatically renewed thereafter on a year to year basis and remain in effect until terminated by mutual consent of the Parties or by effective written notice of any party. If any Party elects not to renew this Agreement by providing a written termination notice, then the City agrees to resell any lot or parcel of land that the City has not at that time resold pursuant to TEX. TAX CODE § 34.05.

7. Notice.

Any notice required or permitted under this Agreement must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth below. Notice is complete three days after deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice hereunder.

If to City: Director, Center City Development Office
 City of San Antonio
 P.O. Box 839966
 San Antonio, Texas 78283-3966

If to County:: Asset Manager
 Bexar County Public Works Department
 233 N. Pecos
 San Antonio, Texas 78207

If to SAISD: John Prather
 San Antonio Independent School District
 1702 N. Alamo
 San Antonio, Texas 78215

8. Written Amendment.

This Agreement may be amended only by the mutual agreement of the Parties in writing.

9. Acknowledgement of Public Purpose.

By entering into this Agreement, City, County and SAISD acknowledge that urban redevelopment serves a legislatively-recognized public purpose on which they can expend their respective resources.

10. Dispute Resolution.

10.01 As a condition precedent to bringing any action arising out of or relating to this Agreement or any aspect thereof, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

10.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

10.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

10.04. The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

10.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

10.06. Mediator fees must be borne equally.

10.07. The parties need not mediate before going to court to seek emergency injunctive relief.

11. No Third-Party Beneficiaries.

This Agreement is intended for the benefit of the parties hereto and their successors and permitted assigns only. There are no third party beneficiaries hereof.

12. Public Information.

All parties acknowledge that this instrument and all documents ancillary to it are public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this Agreement waives an otherwise applicable exception to disclosure.

13. Severability.

If any part of this Agreement is held to be illegal, such part shall be deemed severable and the remaining parts shall nevertheless be binding.

14. No Waiver of Immunity.

No Party waives or relinquishes any immunity or defense on behalf of itself, officers, employees and agents as a result of its execution of this Agreement and performance of the terms contained herein.

15. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and any other prior understandings, written or oral agreements between them are merged into this Agreement.

16. Counterparts.

This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this Agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

In Witness Whereof, the parties have caused their representatives to set their hands:

County of Bexar, a political subdivision
of the State of Texas

By: _____
Nelson W. Wolff
County Judge

Date: _____

ATTEST

Gerard C. Rickhoff
County Clerk

APPROVED AS TO LEGAL FORM

SUSAN D. REED
Criminal District Attorney
Bexar County, Texas

**San Antonio Independent School
District**, a Texas independent school
district

By: _____

Printed
Name: _____

Title: _____

Date: _____

Katherine Ramos
Assistant Criminal District Attorney
Civil Section

**APPROVED AS TO FINANCIAL
CONTENT:**

Susan Yeatts
County Auditor

David Smith
County Manager

City of San Antonio,
a Texas municipal corporation

By:_____

Approved As To Form:

Printed
Name:_____

City Attorney

Title:_____

Date:_____

Exhibit A

1. SUMMARY

A. Reinvestment: Policy Statement

It is the policy of the City of San Antonio to promote growth and development in the heart of the City, specifically in areas that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. It is the intent of this policy to coordinate public initiatives within targeted areas in order to stimulate private investment in walkable urban communities that are the building blocks of a sustainable region. To accomplish the objectives of the Inner City Reinvestment / Infill Policy, the entire range of public incentives is made available under this policy, including regulatory, procedural, and financing incentives.

B. Public Benefits

The benefits of a successful Inner City Reinvestment / Infill Policy accrue not only to targeted neighborhoods, but to the City as a whole. In addition to placing vacant properties back into productive activity, reinvestment reduces development pressure on sensitive agricultural and environmental land on the periphery of the City of San Antonio, and reduces the need to build new infrastructure by making more efficient use of existing infrastructure.

C. Policy Goals

The goals of the Inner City Reinvestment / Infill Policy are:

1. Increase new development (housing and commercial) on vacant lots
2. Increase redevelopment of underused buildings and sites
3. Increase rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improve maintenance of existing buildings and sites
5. Increase business recruitment and assistance

D. Strategic Principles

Implementation of the Inner City Reinvestment / Infill Policy should be built around five key principles.

1. Comprehensive Reinvestment
2. Coordination: Reinvestment is a Public Private Partnership
3. Concentrate Efforts: Targeted Areas
4. Address the Challenges to Reinvestment
5. Establish Sustainable Design and Development Standards

E. Implementation

A strategy has been developed to coordinate incentives within targeted areas. The core Inner City Reinvestment / Infill Policy Target Area follows an expanded version of the CRAG boundaries, and includes Reinvestment Plan Areas and City-initiated Tax Increment Reinvestment Zones designated within Loop 410.

2. BACKGROUND

A. History

The Inner City Reinvestment / Infill Policy is the product of mutually supportive ideas and initiatives. One of the catalysts was a 2008 City Council request to investigate the feasibility of establishing a Land Bank. The subsequent research into the Urban Land Bank Demonstration Program, as implemented by Dallas, led to discussions about additional steps that could be taken to support the goals of the Demonstration Program. At the same time, the progress being made by various public sector initiatives and private market trends suggested that a comprehensive policy would benefit the City of San Antonio.

The key public sector initiative to frame and guide the Inner City Reinvestment / Infill Policy is the Strategic Plan for Community Development. The Strategic Plan was adopted by City Council in September of 2008, and subsequently a Community Development Advisory Committee was formed to explore and recommend community development policies that would benefit San Antonio. One of those recommendations was to move forward Strategic Plan ideas about infill and targeted reinvestment through the creation of a policy that would prioritize public and private sector investments in the core of the City.

Other public sector initiatives support this approach, including:

- COSA Master Plan Policies
- Fort Sam Houston Growth Management Implementation Plan
- Consolidated Plan
- Strategic Plan for Historic Preservation
- MPO Transportation Policy Board Preferred Growth Scenario
- VIA Comprehensive Transportation Plan

In addition, related program-level initiatives currently in development support the Inner City Reinvestment / Infill Policy. For instance, the City of San Antonio Community & Economic Development GIS Mapping Application had been initiated November 2007 with the goal of creating an online searchable website of city-owned properties to be listed for sale. The initial version went live January 2009 while various City departments continued to consolidate their databases to help manage real estate activities and maintain the mapping application up to date.

Additionally, the San Antonio Development Agency's Real Property Disposition Plan was adopted by SADA Board July 15, 2008, for the purpose of prioritizing the disposition of SADA-owned properties. This plan located approximately 70 properties to be disposed for development of affordable housing or at market-rate, and 24 properties to be sold as surplus property.

B. The Public Benefits of Reinvestment

Current market trends support a renewed interest in the heart of San Antonio, as illustrated by studies conducted for San Antonio such as the Downtown Housing Study, Real Estate Market Value Analysis, and the Housing + Transportation Affordability Index. In particular, the Real Estate Market Value Analysis shows that a substantial portion of San Antonio's core has very high rates of vacant properties – properties that could be put to use to support increasing demand for near-downtown housing, jobs, and services.

The benefits of a successful Inner City Reinvestment / Infill Policy accrue not only to targeted neighborhoods, but to the City as a whole. In addition to placing vacant properties back into productive activity, the Inner City Reinvestment / Infill Policy creates the following public benefits:

- Reduced development pressure on sensitive agricultural and environmental land on the periphery of the City of San Antonio
- More efficient use of existing infrastructure, reducing the need to build new infrastructure
- Development patterns that promote a more livable San Antonio
- Provision of increased affordable housing and workforce housing options
- Infill development that is pedestrian-scale, compatible with neighborhoods
- Economic development in historic commercial corridors (new residents = new shoppers)
- Design standards that reflect local neighborhood character
- Creates additional housing options within the San Antonio area, including additional locations, types and densities
- Provides flexibility in lot size, configuration, and access
- Provides clear development standards that promote compatibility between new and existing development and promote certainty in the marketplace
- Encourages development of housing in proximity to jobs and transit
- Promotes walking as a safe mode of travel, which can help address issues of obesity and diabetes
- Promotes neighborhood preservation and enhancement through redevelopment of blighted distressed, and underutilized properties;
- Encourages development and preservation of affordable housing through infill development.

3. POLICY GOALS

The Strategic Plan for Community Development encourages programs and initiatives to incorporate a systematic way to measure progress over time. The Inner City Reinvestment / Infill Policy is committed to identifying measurable goals, establishing benchmarks to measure progress toward those goals, and reporting such results to the public on a regular basis. The Real Estate Market Value Analysis (MVA) is a particularly useful tool in this regard, since it establishes snapshots of market conditions that can be compared over time to gauge where progress is being made, and where new strategies need to be attempted.

The goals of the Inner City Reinvestment / Infill Policy are:

1. Increase new development (housing and commercial) on vacant lots
2. Increase redevelopment of underused buildings and sites
3. Increase rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improve maintenance of existing buildings and sites
5. Increase business recruitment and assistance
6. Reduce number of vehicle miles traveled by San Antonians

The Inner City Reinvestment / Infill Policy Task Force will propose quantifiable benchmarks based on Inner City Reinvestment / Infill Policy goals. These measures could include figures for the following:

- Reduction of number of vacant and abandoned lots
- Reduction of time lots remain vacant or abandoned
- Increase in number of mixed-income units produced
- Increase in square footage of mixed-use development produced
- Reduction in code compliance complaints
- Reduction in number of block groups generally categorized as distressed by the MVA
- Increase in number of block groups generally categorized as active markets by the MVA
- Increase in number of Target Area residents (e.g. 20,000 new residents by 2015)
- Increase in number of Target Area jobs
- Reduction in VMT

4. STRATEGIC PRINCIPLES

Any strategy developed to implement the Inner City Reinvestment / Infill Policy should be based on five key principles.

1. Comprehensive Reinvestment
2. Coordination: Reinvestment is a Public Private Partnership
3. Concentrate Efforts: Targeted Areas
4. Address the Challenges to Reinvestment
5. Establish Sustainable Design and Development Standards

A. Comprehensive Reinvestment

The intent of the Inner City Reinvestment / Infill Policy is to encourage comprehensive reinvestment in areas with existing infrastructure investments in order to achieve sustainable growth through efficient land use and cost-effective delivery of urban services. The Inner City Reinvestment / Infill Policy seeks to remove existing barriers to reinvestment, as well as establish appropriate development standards for new infill development. These development standards are based on long-held policy goals that support sustainable mixed-use, mixed-income, and multi-modal neighborhoods that are better able to meet San Antonian's needs than car-dependent, segregated-use development.

The Inner City Reinvestment / Infill Policy includes all of the following elements:

1. New development (housing and commercial) on vacant lots in previously developed areas
2. Redevelopment of underused buildings and sites
3. Rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improved maintenance of existing buildings and sites
5. Business recruitment and assistance

These elements have all been previously identified in adopted City policies, including the Master Plan Policies, the Consolidated Plan, and the Strategic Plan for Community Development.

The Inner City Reinvestment / Infill Policy takes a comprehensive approach to reinvestment, addressing residential and commercial development, existing and new residents and businesses, present and future. The Inner City Reinvestment / Infill Policy supports efforts that make infill development an attractive option for private sector developers. At the same time, the strategy encourages development that is provides benefits to potential and existing residents. Reinvestment should contribute to the functioning and the desirability of existing neighborhoods. The Inner City Reinvestment / Infill Policy is intended to stimulate reinvestment while also providing amenities and assistance to current residents and businesses.

The Inner City Reinvestment / Infill Policy acknowledges that the hurdles to infill development are varied in nature – and the appropriate incentives, to be effective, should be just as varied. Incentives should also be comprehensive in nature, and include “all the tools in the toolbox”, including zoning, infrastructure scheduling, parking incentives, and financing tools.

B. Coordination: Reinvestment is a Public Private Partnership

One of the key principles of the Inner City Reinvestment / Infill Policy is coordination and cooperation. Public officials, neighborhood organizations, non-profits, private developers and financial institutions will need to join forces for effective community revitalization to occur.

The Inner City Reinvestment / Infill Policy recognizes that **private-sector investment follows public-sector investment**: for private individuals and companies to invest in the core of San Antonio, the public sector must demonstrate a commitment to the area, by funding infrastructure repairs and upgrades, implementing new policies, and kick-starting area economies through catalytic projects (including area-wide rezoning). The Inner City Reinvestment / Infill Policy seeks to coordinate individual programs and projects to create these catalysts. Once reinvestment efforts create enough market confidence, the private market can successfully support thriving urban economies based on appropriate risk-taking, renovation, and redevelopment.

This principle ensures that public investment is **maximized** by encouraging a wide variety of private sector investors – including current residents and businesses. The wider the pool of stakeholders, the greater leverage the initial public investment can create.

In this spirit, the Inner City Reinvestment / Infill Policy is committed to research and resource-sharing to help public and private sector partners reach shared goals. Initiatives such as foreclosure reports, real estate information websites, and the proposed Vacant and Abandoned Property Registry make substantial public research freely available to community development stakeholders.

Enhanced coordination plays a critical role in urban revitalization by employing tools that directly influence the private market, reduce risk, and create market confidence. The Inner City Reinvestment / Infill Policy can facilitate new development that might not normally occur under existing market conditions by using those tools to help address these risk variables. A critical mass of public investment is necessary to engender private investor confidence.

C. Concentrate Efforts: Targeted Areas

Reinvestment is by its nature a targeted activity, and the Inner City Reinvestment / Infill Policy recognizes that to maximize the coordinated efforts mentioned above, a targeted geographical approach is required. The City’s Consolidated Plan states that:

“Central to the City's long-term and short-term community development objectives is a philosophy of focusing limited resources on concentrated and comprehensive revitalization of targeted neighborhoods. Rather than scattering resources to all distressed areas in the community, San Antonio has committed to concentrating community development resources to more specified geographic areas.”

The Inner City Reinvestment / Infill Policy identifies targeted areas by need and potential, using a market-value analysis. By finding “sweet spots” where a small amount of public investment can quickly trigger larger amounts of private reinvestment, public resources can be utilized to maximum effect.

The core targeted area of the Inner City Reinvestment / Infill Policy is the original 36 square miles of the city, also known as the CRAG area, with the addition of the Ft. Sam Houston Growth Management Plan and other BRAC-related areas, the Westside Development Corporation area, the Reinvestment Plan Areas, City-initiated TIRZ inside Loop 410, City South, and Neighborhood Commercial Revitalization Areas.

D. Address the Challenges to Reinvestment

The Inner City Reinvestment / Infill Policy seeks to address the barriers (real and perceived) which have prevented reinvestment in certain areas. Urban change and revitalization contain a myriad of risk variables that influence market forces and market confidence, including:

- Local demographics
- Existing housing types and prices
- Ability of the market to absorb new units
- Development costs
- Interest rates
- Whether the existing market has been tested to support similar product types and pricing

Through coordination and targeting, the Inner City Reinvestment / Infill Policy seeks to address these challenges in a systematic and strategic manner.

E. Establish Sustainable Design and Development Standards

The Inner City Reinvestment / Infill Policy recognizes that urban form is a critical reinvestment variable. The physical design of buildings, streets, and parks either expand or limit options available to residents, workers, and visitors.

Pro-active standards for new infill development ensure long-term affordability, maximize the efficient use of existing infrastructure, and increase mobility and accessibility options to all San Antonians, regardless of their choice of travel: car, transit, bicycle, wheelchair, or walking. These standards are based on long-held

policy goals of sustainable mixed-use, mixed-income, and multi-modal neighborhoods that are better able to meet San Antonians' needs. Reinvestment should support (1) compact development in urban centers rather than spread out development, (2) a balanced mix of mutually-supportive land uses to facilitate walking and transit, and (3) increased densities in transit corridors to better support frequent transit service.

Affordability is a key element of the sustainability discussion, particularly the role that transportation options play in figuring long-term household costs. The recently completed Housing + Transportation Affordability Index for San Antonio highlights the close linkage between transportation and Community Development.

One finding is that travel is a critical – and often overlooked – household expense. Housing costs **plus** transportation costs provide a more complete assessment of affordability than housing costs alone.

Another finding is that transportation costs are driven more by neighborhood characteristics than by the number of people in a household or their income. Places with access to services, walkable destinations, extensive and frequent transit, access to jobs, and density have lower household transportation costs.

In order to maintain an overall long-term level of affordability, the Inner City Reinvestment / Infill Policy prioritizes the creation of neighborhoods that provide housing **and** transportation affordability. Such neighborhoods are characterized by diverse land uses and walkability, which depends on a transportation infrastructure that provides a variety of ways to get around, serving pedestrians and transit-riders as well as drivers.

5. IMPLEMENTATION

The Inner City Reinvestment / Infill Policy implementation strategy is to promote reinvestment in targeted areas using coordinated incentives.

A. Targeted Areas

In order to make the best use of limited public resources, targeted areas are identified where reinvestment incentives can be coordinated to provide maximum leverage.

i. Inner City Reinvestment / Infill Policy Target Area

This area is defined by the boundaries of established initiatives: the Community Revitalization Action Group (CRAG) area, the Ft. Sam Houston Growth Management Plan and other BRAC-related initiatives, the Westside Development Corporation, the Reinvestment Plan Areas, City-initiated TIRZ inside Loop 410, City South, and Neighborhood Commercial Revitalization Areas. Incentives are broadly available within these boundaries.

ii. Real Estate Market Value Analysis (MVA)

The MVA allows incentives to be fine tuned within the core Inner City Reinvestment / Infill Policy Target Area. The MVA identifies discrete housing market types in San Antonio. The characteristics of those market types provide insight into what type of public initiative will yield the most private reinvestment. For instance, when developing a disposition strategy for the Land Bank or for Reinvestment Plans, the MVA can indicate which areas will require property to be sold at an “incentive” price, and which other areas can support higher “market value” disposition prices. The MVA also indicates where there is a greater need for affordable housing, workforce housing, or market-rate housing. Finally, areas with active markets are readily identified, so that significant assistance can instead be directed elsewhere. The current MVA is included in the Appendices.

B. Coordinated Incentives

This policy establishes the Inner City Reinvestment / Infill Policy Target Area as the highest priority for incentives. Specifically, the following actions are endorsed:

1. No City fees
2. Targeted City Incentives
3. Interdepartmental Oversight & Single Point of Contact
4. Land Bank

i. No City fees

No City fees are assessed within the Inner City Reinvestment / Infill Policy Target Area.

ii. Targeted City Incentives

All City incentive programs prioritize the Inner City Reinvestment / Infill Policy Target Area, including:

- a. *Tax Abatements.* The highest rate of Tax Abatements is limited solely to projects located within the inner city target area (10 years at 100%). A second tier is defined out to Loop 410, where projects are eligible for up to 10 years at 75%. A third tier, the remainder of the City, is eligible for up to 6 years at 50%.
- b. *CDBG / HOME.* A tiered system similar to the Tax Abatement structure is proposed that would allocate the majority of CDBG/HOME funding within the inner city target area.
- c. *Weatherization.* CPS and the City are collaborating on a weatherization program that prioritizes program delivery within the inner city target area, specifically within the Reinvestment Plan Areas.

iii. Interdepartmental Oversight & Single Point of Contact

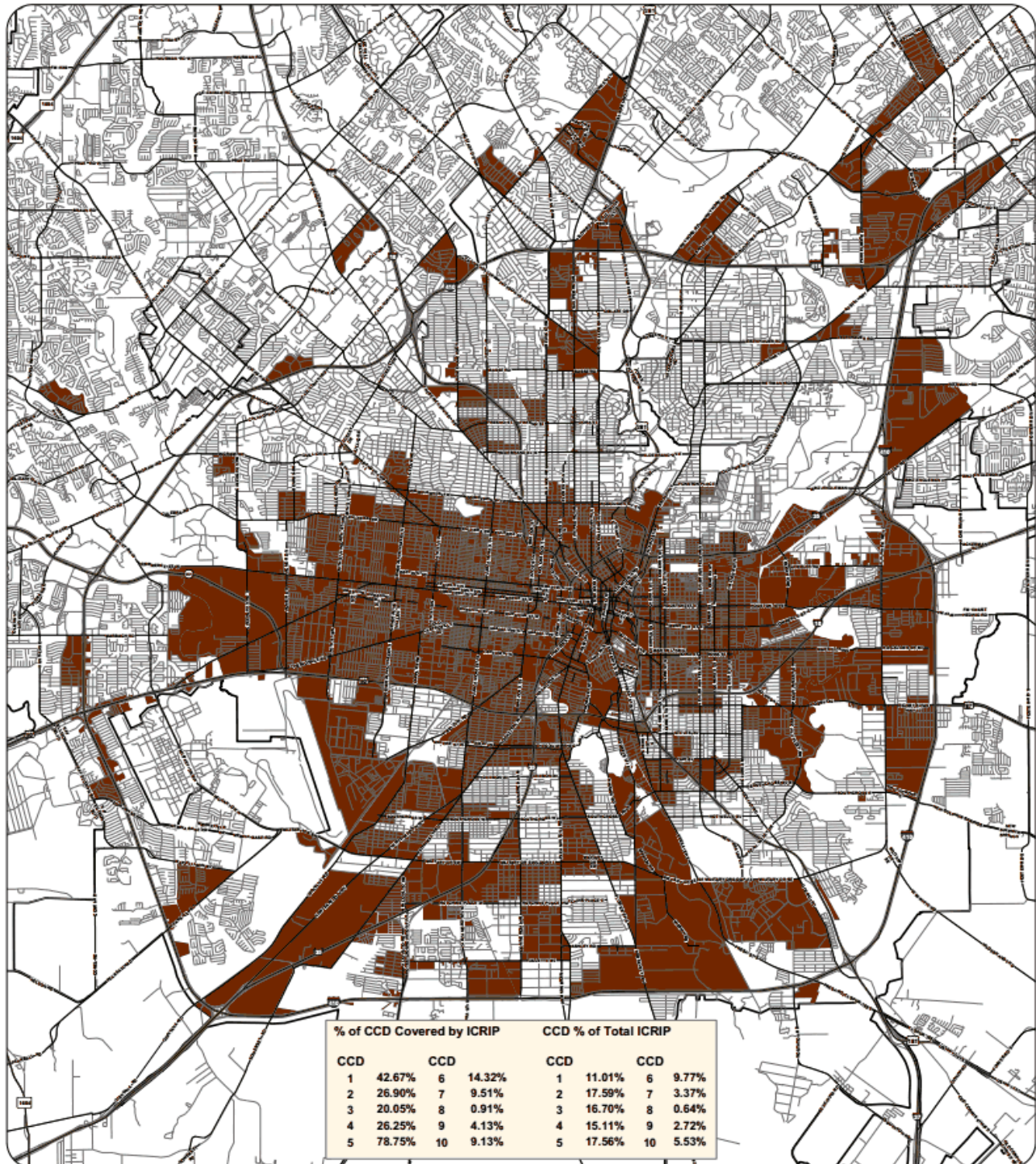
Projects in the inner city target area receive special staff attention. To facilitate project development and permitting, a single point of contact is designated through the Center City Development Office. Projects also benefit from dedicated staff from multiple departments specifically trained in the challenges associated with inner city development. An executive-level Reinvestment Task Force provides oversight and policy guidance.

iv. Land Bank

The creation of a Land Bank in San Antonio would allow for the identification, acquisition, management, and disposition of real property in support of the Strategic Plan for Community Development and the Inner City Reinvestment / Infill Policy, including:

- a. Stimulate commercial, residential, and mixed-use development within the Inner City Reinvestment / Infill Policy Target Area
- b. Facilitate the provision of affordable housing and market-rate housing in Reinvestment Plan Areas and/or according to market value analysis
- c. Facilitate the disposal of City owned properties
- d. Reduce the total number of Abandoned/Vacant properties in San Antonio
- e. Establish a Community Land Trust model for San Antonio
- f. Provide acquisition support to implement Reinvestment Plans
- g. Create site marketing tools, such as a site selection website with incentive overlays, demographic and business distance radius analysis, and demographic and business drive-time analysis

6. INNER CITY REINVESTMENT / INFILL POLICY (ICRIP) TARGET AREA MAP



Map prepared by the City of San Antonio Planning and Economic Development Department, based on data provided by the City of San Antonio Planning and Economic Development Department. The map is for informational purposes only and does not constitute a guarantee, warranty, or endorsement of any product or service by the City of San Antonio.

ICRIP, as Amended 1/10/2013
18.02% or 84.08 Sq. Mi. of CoSA

